OFFICE *of the* FIRE COMMISSIONER

2004 ANNUAL REPORT

Manitoba
Building for the Future

106-01435/

Minister of Labour and Immigration

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C OV8

May it Please Your Honour:

I have the privilege of presenting the ninth Annual Report of the Office of the Fire Commissioner for the fiscal year ended March 31, 2005.

Sincerely,

Nancy Allan

Nancy Allan

Manitoba

Deputy Minister of Labour and Immigration

Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Nancy Allan
Minister of Labour and Immigration
Room 317 Legislative Building
Winnipeg MB R3C OV8

I am pleased to submit for your consideration, the ninth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2005.

The Board and Management continue to strive to meet the important organizational mission of safeguarding both persons and property through education, investigations, emergency response and code application.

Sincerely,

Jeff Parr
Deputy Minister and Chairperson of the OFC SOA Advisory Board

August 23, 2005

Jeff Parr
Deputy Minister of Labour and Immigration
Room 311 Legislative Building
Winnipeg MB R3C OV8

Dear Chairperson:

I am pleased to submit for your review the ninth Annual Report of the Office of the Fire Commissioner for the year ended March 31, 2005.

Highlights of the year:

- Non-levy revenues represent 38% of revenues, up from 21% in the first year as a SOA, allowing the Agency to reduce its reliance on the insurance levy;
- The Agency applied for and received Federal and Provincial grants to cover costs associated with the Provincial hazardous materials, search and rescue initiatives and heavy urban search and rescue initiatives;
- In partnership with Manitoba Aboriginal and Northern Affairs, Office of the Fire Commissioner has developed a fire protection strategy to enhance fire protection services in northern and remote communities;
- A water bomber reserve fund has been established to cover costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property;
- Certifying over 4000 individuals in emergency management and response;
- Fire investigators investigated over 600 fires in 2004;
- The Agency participated in 29 emergency responses, utilizing 1,696 Office of the Fire Commissioner staff hours.

Through the continued commitment to enhance the level of public safety in the Province of Manitoba the Office of the Fire Commissioner continues to be a leader in the Emergency Services Community.

Yours truly,

Doug Popowich
Fire Commissioner

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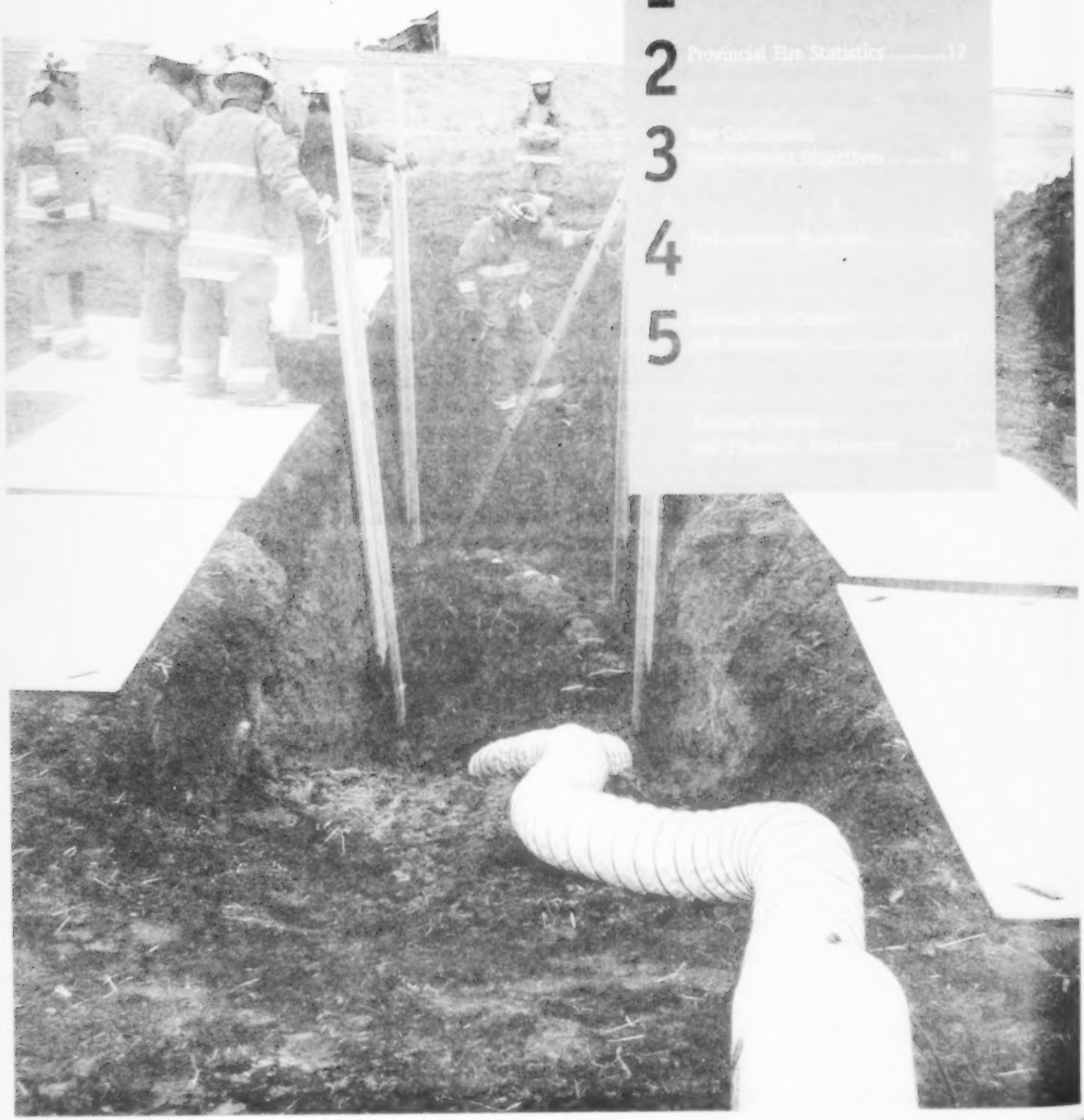


SPECIAL OPERATING AGENCY ADVISORY BOARD

The role of the Advisory Board is to provide advice on the Agency's strategic operations and on changes to its mandate, structure, business practices and finances. The Advisory Board reviews and comments on the Agency's proposed business plans, quarterly and annual reports.

The Advisory Board consists of the following individuals:

JEFF PARR
Board Chair
Ex Officio
Deputy Minister,
Manitoba Labour & Immigration

DOUG POPOWICH
Ex Officio
Fire Commissioner,
Office of the Fire Commissioner

Members

KEVIN BRISCOE
Client Representative
ING Insurance

PETER TARTSCH
Client representative

DENNIS NODRICK
Client Representative
Manitoba Association of Fire Chiefs

DOUG DOBROWOLSKI
Association of Manitoba Municipalities
Councilor, RM of MacDonald

DICK HARVEY
Agency Staff Representative
Emergency Services Officer,
Office of the Fire Commissioner

WES SHOEMAKER
Client Representative
Fire Chief,
Winnipeg Fire Paramedic Services

1 AGENCY PROFILE

Historical Perspective

The Fires Prevention Act was originally created in 1872 for the prevention of prairie fires and included the authority to conduct fire investigations. In 1885, the Act was amended to include fire protection of wooded lands. In 1876, the first Fire Commissioner was appointed. In 1940 The Fires Prevention Act was separated into two parts. Part I dealt with the forest fires and Part II outlined the responsibilities of the Fire Commissioner in the area of fire prevention and protection. Training of fire fighters became a responsibility in the early 1960s. Part I was replaced with The Wildfires Act in 1997.

In 2002, as a result of the World Trade Center Crisis, Bill 2, the Security Management (Various Acts Amended) Act, received Royal Assent. This Bill changed The Fires Prevention Act to The Fires Prevention and Emergency Response Act. Bill 2 mandated the Office of the Fire Commissioner (OFC) to respond to emergency situations and ensure a sufficient incident management system is in place and operational. In addition, the Bill expanded the role of the Fire Commissioner from being able to order evacuations in times of emergencies resulting from fire to include the order of evacuations for all life threatening emergencies

The OFC is responsible for all building codes and standards through the Buildings and Mobile Homes Act. The forerunner of this Act was the Manitoba Public Buildings Safe Egress Act of 1877. This was followed by the Manitoba Public Building Act in 1884. The focus of both these Acts was safe public assembly buildings and means of egress. The proliferation of building codes and standards, within the Province, caused the Government of Manitoba, in 1974, to introduce The Buildings and Mobile Homes Act which came into full force on April 1, 1977. The regulation under this Act is the Manitoba Building Code which is the minimum construction standard adopted by the Province.

Our Mission

To safeguard both persons and property from fire and life safety hazards through education, investigations, emergency response and code application.

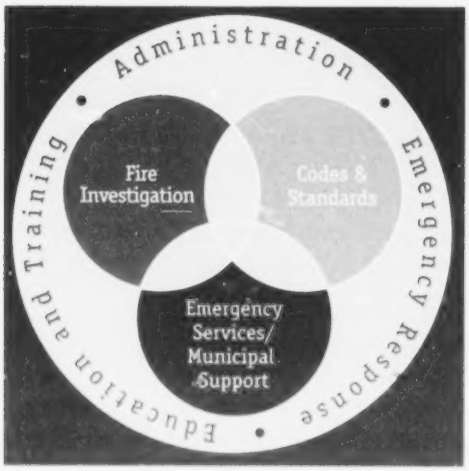
Our Values

We believe that people have the right to live in safe communities.

We believe in providing the best possible programs and services to our clients.

We believe in being responsible for our organization and in our organization being fair, effective and efficient.

Organizational Services



We believe in the loyalty of our people and value their continued development.

The Agency provides a wide spectrum of mandated services and related activities. No one service area of the Agency stands alone. They are all fundamentally interrelated with the Education and Training and Emergency Response areas being the unifying and defining components.

The services provided are allocated into the following six sections:

Administration

Through the Fire Commissioner, the Administration Section provides overall leadership and direction to the organization. All planning for fiscal, operational, human resource management and policy development is the responsibility of this Section.

Emergency Services/ Municipal Support

Provides consultative services and support to the Municipal Fire Service in the areas of fire department management and operations, fire prevention inspections, public education and fire investigations, as well as provides support to the Province-wide Mutual Aid System.

Education and Training

Provides comprehensive Emergency Services training, public education, Critical Incident Stress Management (CISM), and emergency medical training through the Manitoba Emergency Services College (MESC) or local community-based trainers.

Codes and Standards

Provides building plan review, code enforcement, consultative services, verifies permit applications, and provides advice in the development of the Manitoba Building, Fire and Plumbing Codes.

Fire Investigations

Determines the origin and cause of all fires referred to the Agency.

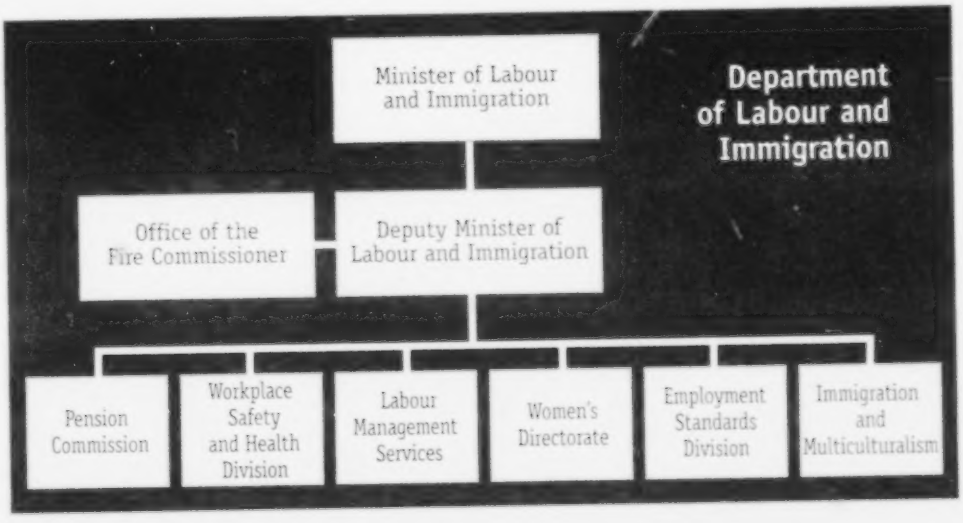
Emergency Response

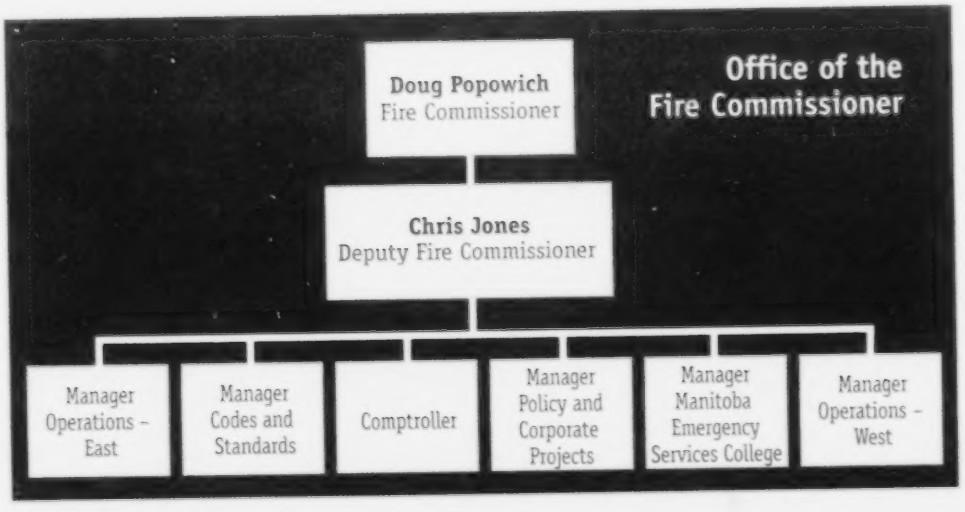
Provides Emergency Response services to the Province of Manitoba to assist with the operation and mitigation of major emergency incidents that are larger than Municipal capabilities, to technical in nature for Municipal resources, or of a Provincial nature.

Organizational Structure

The Office of the Fire Commissioner is an SOA (Special Operating Agency) contained within the Department of Labour and Immigration and reports directly to the Deputy Minister of Labour and Immigration.

The Agency maintains a relatively flat organizational structure. The Fire Commissioner provides overall supervision and guidance to the Agency with the assistance of a Deputy Fire Commissioner. A Senior Management Team reports to either the Fire Commissioner or the Deputy Fire Commissioner. Managers are responsible for managing all aspects of their assigned program area. The Emergency Services Officers and Technical Service Officers report to their respective managers who in turn coordinate the sharing of officers between programs.





2 PROVINCIAL FIRE STATISTICS

During 2004, Manitoba reported 5,254 fires. This is a significant decrease of 15% or 932 incidents over in 2003, property damages also decreased by approximately $10.6 million (11%). Nineteen fatalities occurred, an increase of 7 over the 12 reported in the previous year. Injuries stand at 332, which is a significant increase of 80 over the 252 reported last year.

Fires in Manitoba resulted in an estimated $82.7 million in property damages during 2004. Nineteen major loss fires (damages of $500,000 and over) accounted for nearly $23.3 million (28%) of the total estimated property loss. During 2003 Manitoba recorded 31 major losses with damages in access of $34.5 million to property.

During 2004, 19 people (16 adults and 3 children) perished as a result of 14 fires in the Province. Sixteen or 84% of these fatalities occurred in the home.

While the cost of fires in terms of injury, death and property loss is high, it must be compared to the costs saved in lives and property as a result of the efforts of the Manitoba Fire Service. During 2004, an estimated $3.7 billion in property was saved as a result of the containment and suppression of fires. In addition, the

The Number of Fires In Manitoba:

Number of Fires per 100,000 population

	2004	2003	2002	2001
Manitoba	421	501	437	384

The Cost of Fires to Manitoba:

Property Loss per capita

	2004	2003	2002	2001
Manitoba	66.30	75.54	67.50	64.07

Injury Rate per 100,000 population

	2004	2003	2002	2001
Manitoba	26.63	20.40	21.04	17.12

Death Rate per 100,000 population

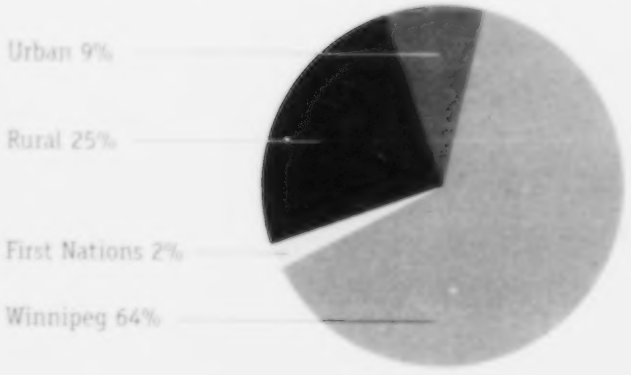
	2004	2003	2002	2001
Manitoba	1.52	.97	1.71	1.63

The Location of Fires in Manitoba

Distribution of Fires

	2004	2003	2002
Winnipeg	3,348	3,582	3,131
Remainder of Province	1,906	2,604	2,246

2004 Manitoba Fires



2004 Manitoba Property Damage

Manitoba Fire Service reported assisting in the evacuation of approximately 1,600 individuals from fires.

The City of Winnipeg accounts for 64% of reported fires and 46% of property damages in Manitoba. During 2004, 1,575 or 47% of Winnipeg's fires involved outdoor property, primarily rubbish and grass fires. Of these outdoor property fires, 867 or 55% were intentionally set or of a suspicious nature.

Rural Manitoba reported 25% of the fires and accounted for 41% of property damages.

During 2004 there were 5,254 fires which caused $82,661,875 in damages. Outlined below are the percentages of fires and damages by four major causes: accidental, arson, suspicious, and undetermined.

The City of Winnipeg reported a slight 1% decrease or 19 fires determined to be arson or suspicious in nature during 2004. The remainder of the Province decreased their arson suspicious losses by 19% or 96 incidents over 2003. The decrease in these incidents are directly attributed to outdoor property fires.

The Arson Strike Force and Youth Fire Stop Program remain dedicated to reducing the losses in both the City of Winnipeg and the remainder of the Province.

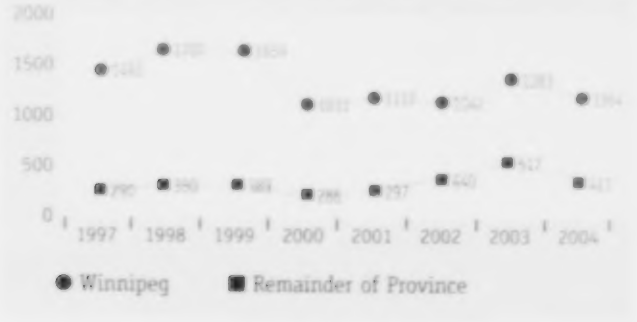
Causes of Fires

	Fires	Property Damage
Accidental	46%	54%
Arson	16%	19%
Suspicious	18%	9%
Undetermined	20%	18%

Outdoor Property Fires

	Total	Arson/Suspicious
2003	3,048	1,215
2004	2,200	1,100

Manitoba Arson/Suspicious Fires 1997-2004



3 KEY CONTINUOUS IMPROVEMENT OBJECTIVES

EDUCATION AND TRAINING

3.1.1 To continue to ensure that program curriculum will meet the International Fire Service Accreditation Congress standards for re-accreditation in June of 2004.

The MESC currently has 21 programs that are accredited under the International Fire Service Accreditation Congress (IFSAC). The accreditation of these programs is critical to the ability of the MESC to meet international standards, which form the basis of the majority of Emergency Services in Canada. Every 5 years these programs go through a rigorous accreditation process with IFSAC to ensure they meet the current standards established by the National Fire Protection Association (NFPA). The 5-year period for the 21 programs of the Agency ended in June of this year. The Agency is proud to report that it received re-accreditation to all programs within the OFC.

3.1.2 To pursue the development of distance education capabilities and utilization of technology through the Manitoba Tele-health Network.

The OFC has had discussions with representatives of the Manitoba Tele-health Network regarding implementation of this technology in the delivery of educational programs. A site coordinator has been employed and has been working with MB Tele-health on the implementation. The T-1 line phase took place in the third quarter. Tendering for equipment was completed and received in the fourth quarter and a Memorandum of Understanding for usage is currently being developed. It is anticipated that during the second quarter of 2005/06 the MESC will deliver Hazardous Materials Awareness training through Manitoba Tele-Health.

3.1.3 Concentrate on delivery of training programs found to be necessary as a result of the Provincial Hazard Analysis & Risk Assessment.

Following review of the report by the Cabinet Sub-committee on Security the agencies involved will be provided with a detailed listing of each community's risk(s) and will strive to address the assessment through response enhancements and educa-

tion. The final report indicates that there is a need to enhance communities' education and response capabilities.

The MESC will develop a training plan to assist the high-risk areas identified through the assessment.

3.1.4 To address the Treasury Board directive regarding retention of the Thompson facility and potential for cost recovery initiatives.

The Thompson facility has been a valuable asset to the overall success of operations, training and enhancement of services provided to northern Manitoba. Last year the facility's utilization was tracked through a detailed log system in Thompson. Manitoba Conservation provided grounds maintenance during the summer, which resulted in cost savings to the Agency. The yearly cost of operating this facility is approximately $7,500. Any required capital expenditures have been added into the OFC capital plan as presented in Section 5 of this year's plan.

The Agency has been tracking the usage and cost associated with the Thompson site. A report on usage of this facility indicates that the Agency has been provided with services-in-kind totaling $7,000.

EMERGENCY SERVICES/MUNICIPAL SUPPORT

3.2.1 To continue to pursue funding support through partnerships with corporate sponsors for the Critical Incident Stress Management (CISM) Program.

A proposal was submitted to the Workers Compensation Board (WCB) for a partnership and cost recovery plan that would see the introduction of CISM services within the public sector. Phase one of the project met with approval from the WCB however the proposal was rejected at phase two. The Agency will continue to attempt to find alternative funding support for this project.

Recently the Agency received funding from the Fire Fighters Burn Fund for the development of a Youth Fire Stop activity book. This activity book will complement the existing Youth Fire Stop program which is managed under the CISM section.

3.2.2 To continue to enhance, develop and support training and education opportunities in the more remote locations of the Province.

The Agency continues to be committed to developing and supporting training and education opportunities in Northern Manitoba. The Agency has recently been authorized to hire an education/training coordinator to begin implementation of a community based fire protection and emergency response education and training program for northern and remote communities. This initiative is a partnership between Aboriginal and Northern Affairs and will be monitored and a joint report on the progress and success will be presented in both Agencies 2006/07 business plan.

The Agency continues to work with the emergency ser vice departments of Northern Manitoba to develop enhanced response

capabilities in the areas of Hazardous Materials Response, Urban Search and Rescue and Ground Search and Rescue.

3.2.3 Based on the results of the Provincial Hazard Analysis and Risk Assessment, to work with municipalities to develop an action plan to address the results of those findings.

The Agency has recently completed the challenging task of compiling a comprehensive Hazard Analysis and Risk Assessment for the entire Province of Manitoba. The final provincial report has now been completed and has been presented to the Provincial Cabinet Sub-committee on Security for final approval. Following approval and release of the final report, the document will be used as the framework for a comprehensive provincial plan to address the gaps in emergency response training, preparedness and response capabilities across the province of Manitoba.

3.2.4 To continue to promote a more proactive approach in fire protection through fire inspection in high hazard occupancies such as day cares, residential care facilities, schools and hospitals.

Providing fire inspections is an effective method of providing fire protection; however is a service not provided by a large number of municipalities across the Province. The issue of lack of fire inspections in occupancies located in the Province has been raised with Treasury Board by the Insurance and Risk Management Branch of Manitoba Finance.

By way of agreement with Manitoba Family Services and Housing, the Agency continues to provide fire Inspections services to licensed day cares and residential care facilities throughout Manitoba. As well, the Agency continues to support local authorities in performing fire prevention inspections within their community upon request.

Proposed changes to the Fires Prevention and Emergency Response Act will mandate municipalities to implement a fire prevention inspection program in public assembly buildings and high hazard occupancies are anticipated to be passed by the legislature in the fall session. These changes will have a positive effect on ensuring these very important inspections are being carried out at the municipal level.

CODES AND STANDARDS

3.3.1 Develop and implement the regulations necessary to support the implementation of Objective Based Codes in Manitoba in the 2005 calendar year.

In 2001 the National Research Council of Canada introduced a concept to change the current code structure to an Objective Based format for implementation in January 2005. This change is to assist users of the code to achieve a greater understanding of the intent behind each requirement, provide more information to evaluate alternative approaches and equivalencies and allow for greater flexibility to adapt to innovation within Canadian construction.

As this change comes to fruition, the requirement for Manitoba to adopt the new standards will be through regulation review and approval. As such, this Section will be working towards introduction and implementation of the new codes in the 2005/06 business year. The Agency plans to release draft regulations for review and approval during the 2005/06 third quarter.

FIRE INVESTIGATIONS

3.4.1 To continue to be a main participant in the Arson Strike Force in the City of Winnipeg.

In 1999 due to an overwhelming problem with arson related fires in Winnipeg an Arson Strike Force consisting of members from Winnipeg Fire Paramedic Services, the Winnipeg Police and the OFC was formed. This tri-party unit has to date had over 700 apprehensions for Arson related fires. There have been 859 charges laid, 519 people cautioned and 522 referrals to the Youth Fire Stop Program. The people apprehended were responsible for $22 million in damages. Although there have been personnel changes over the last 4 years, all the members of the three organizations have shown the effectiveness of a blended organization.

The OFC will continue to be a major contributor to the Arson Strike Force in the City of Winnipeg.

3.4.2 To support, resource and develop the Arson Strike Force model for Rural Manitoba to address the increase in incendiary fires in that part of the Province.

With the introduction of an ASF model the Agency has noted a sizeable decrease in the City of Winnipeg with respect to arson related and suspicious fires. The success of this model coupled with the fact that over the last four years suspicious fires throughout rural Manitoba have increased, lead the Agency to develop a similar model for rural Manitoba.

Through a partnership with the City of Brandon and the R.C.M.P an Arson Strike Force was formed in the City of Brandon. The Agency will continue to monitor this initiative and provide a report under the Agency's overall Performance Measures.

EMERGENCY RESPONSE

3.5.1 Continue to prepare for and respond to emergencies in the Province too large or complex to be handled by the local Municipal or Mutual Aid System.

Recent legislative changes to the Fires Prevention and Emergency Response Act have mandated the Agency to prepare for and respond to emergencies beyond the capabilities of the local municipality or mutual aid district.. As such, the Agency provides a critical link in Manitoba's safety infrastructure, through support of the Municipal Emergency Response System.

Recognizing its' legislated mandate to provide effective emergency response and support, the Agency has been pro-active in developing and enhancing its emergency response capability and promoting inter-agency training exercises through joint federal and provincial initiatives in the following response areas:

- Urban Search and Rescue (USAR)
- Hazardous Materials response
- Chemical B.ological, Radiological & Nuclear (CBRN)
- Ground Search and Rescue (GSAR)
- Wildland Urban Interface fire value protection

The Agency continues to support the emergency services departments of Manitoba, whenever and where ever requested, in order to ensure effective incident management is being implemented at all emergencies.

3.5.2 To continue to develop the capability of Urban Search and Rescue (USAR) within Manitoba.

Recently the Province of Manitoba, through Treasury Board, directed the Agency to develop an USAR capability for the Province. This project is a federally funded initiative, with the Province committing 25% of the funding and the Federal government committing 75%.

USAR, is defined as: "The location of trapped persons in collapsed structures using dogs and sophisticated search equipment; heavy equipment such as cranes to remove debris; the work to breach, shore, remove and lift structural components; the treatment and removal of victims; and the securing of partially or completely collapsed structures".

Over the past twelve months the Agency has been active in the development of the Provincial USAR capability through the following initiatives:

- Acquisition of specialized rescue equipment.
- Development of a Provincial Instructor Network.
- Development of Provincial USAR training programs
- Delivery of basic level USAR training programs to volunteers and participating agencies including police, Fire, EMS and industry representatives.
- Development and formalization of the Provincial USAR Response Team.
- Development and delivery of advanced training levels in USAR response and specialized equipment training.

In January of 2005 the Agency hosted the first annual USAR Team meeting that involved a meet and greet of the various team members as well as training and familiarization on the various pieces of specialized equipment used in USAR. This meeting was attended by over 100 volunteers from the various agencies and mutual aid districts involved in this initiative.

In February of 2005 the Agency hosted the first annual Winter USAR training exercise in Spruce Woods Provincial Park. This exercise was attended by approximately 63 members who were challenge by three different team building and technical exercises over a 72 hour period.

The objective of this exercise was to test the ability of the team to operate in a winter environment over 24 - hour around the clock exercises.

The exercise was very successful, and was attended by many observers from across Canada including representatives from the Canadian Armed Forces – (Domestic Ops), the Federal government -Public Service and Emergency Preparedness Canada (PSEPC), the City of Toronto USAR Team, the City of Calgary USAR Team, and various other provincial agencies.

During the month of March the provincial team was finalized and will include representatives from the following agencies:

- The Office of the Fire Commissioner;
- Communications Services Manitoba;
- The City of Winnipeg Police – Canine Unit;
- Manitoba Hydro;
- The Royal Canadian Mounted Police (RCMP);
- Regional Health Authorities – EMS providers;
- Volunteers from across the Provincial Mutual Aid System.

3.5.3 To continue to support, develop and ensure sufficient resources are available to respond as part of the Provincial Chemical, Biological, Radiological and Nuclear (CBRN) initiative.

Treasury Board authorized the OFC to proceed with the development of a CBRN response capability for Manitoba. This was a result of the Cabinet Sub-committee on Security decision to enhance Manitoba's capability in this area. This was anticipated to be a two year project which included providing training and equipment to emergency responders throughout the Province and creating a more technical type of emergency response through partnerships involving provincial federal departments; police agencies, and other interested partners.

In September of 2004 The Agency began the delivery of CBRN Basic level training to the emergency response departments of Manitoba in an effort to ensure that initial responders had the knowledge and ability to recognize a possible CBRN inci-

dent and could take the appropriate actions to protect themselves and others from the hazards associated with such an event. This training will continue throughout the 2005/06 fiscal year with a focus on intermediate and advanced level training for its responders.

The Agency will continue to work cooperatively with its' federal and provincial partners involved in CBRN response, and will continue to promote joint training initiatives in order to ensure that response to a CBRN incident in Manitoba is conducted in a unified and coordinated manner.

3.5.4 To continue to maintain the current Hazardous Materials Response team.

Currently, the OFC through the MESC has developed a number of programs for Emergency Services in the area of Hazardous Materials Response. These programs are developed to the National Fire Protection Association standards and are internationally accredited by International Fire Service Accreditation Congress.

In 2001, the Agency was provided with funding support from the Federal Government to develop and enhance the Province's Hazardous Materials Response capabilities. This project was introduced over a two year period with the project ending in March of 2003. The project provides for three levels of response in the Province with all training, education and equipment being provided by the OFC.

Over the final quarter of 2004/05 the Agency has worked with The Town of The Pas Emergency Services as well as the City of Thompson Fire and Emergency Services to build the Northern Hazardous Materials Technician response capability.

Arrangements have been made for four (4) members of the Thompson Fire & Emergency Services to train to the Hazardous Materials Technician responder level in an effort to formalize the Northern team make up.

Specialized monitoring and response equipment specific to the chemicals passing along the Hudson Bay Railway (HBR) to various Northern locations across Manitoba have been strategically placed with The Pas Fire Department in an effort to enhance initial response capabilities in the area.

Discussions are presently underway with local emergency service departments and industry representatives, working towards the development of a technician level response capability in Eastern Manitoba.

3.5.5 To continue to support, develop and enhance the Provincial Ground Search and Rescue (GSAR) team.

The responsibility for GSAR in Manitoba rests with the police agency having jurisdiction. Across the majority of Manitoba this responsibility rests with the RCMP. Through a Memorandum of Understanding between the OFC and the RCMP and as directed by the Province's Emergency Plan, the OFC provides logistical support to search operations and is responsible for the training, development and coordination of the volunteer GSAR team network. Under the authority of The Fires Prevention and Emergency Response Act, the OFC ensures that an effective Incident Command System is implemented at all Provincial emergency incidents.

As part of its commitment to enhancing Ground Search and Rescue response across Manitoba, the Agency provided a four day long Search Managers Training course that was attended by members of the RCMP, the Winnipeg Police Service and members and volunteer members of various federal and municipal departments. This program was provided as part of a present New Initiative fund (NIF) project.

During the fiscal year 2004/05 the agency's accomplishments in the area of GSAR included:

- Responded to seven GSAR incidents at the request of the RCMP and Winnipeg Police Service (WPS).
- Hosted the 3rd annual Provincial summer GSAR exercise in St. Martin, MB that included the participation of all federal, provincial and volunteer partners involved in Search and Rescue in Manitoba.,
- Hosted the annual winter USAR / GSAR exercise in Spruce Woods Park that provided cross - training opportunities for responders involved in the two specialty fields.
- 150 additional volunteers responders trained to the level of GSAR – Basic.
- 40 additional volunteer responders trained to the level of GSAR - Team Leader.
- 15 additional personnel trained to the level of GSAR - Search Manager.
- Acquisition of additional specialized equipment and software that will enhance the Agencies ability to manage and support a GSAR or any other emergency incident.

4 PERFORMANCE MEASURES

Investigations Department:

Fire investigations are conducted by members of the Manitoba Fire Service or the OFC in co-operation with police authorities and the insurance industry. Clients call upon the services of our fire investigators for situations such as fire fatalities, serious injuries, explosions, fires where origin or cause cannot be determined and any fire resulting in a major loss to the community.

The goal of the OFC is to see the number of investigations decline. This would reduce operating costs through the reduction of overtime paid to investigators. The key to achieving this goal is to continue training members of the Manitoba Fire Service in fire investigations. This would allow OFC investigators to deal with the more critical investigations.

The investigation work done by the Agency assists in the laying of criminal charges and conviction of criminals. No specific targets are set in these areas as the number of charges and convictions fluctuate with the number of arson incidents. Decisions made and actions taken by the police and prosecutors influence both the number of charges and convictions.

Where arson is the cause of a fire, there can be savings to the insurance industry through reduced payouts. Investigative work also identifies how a structure performed during a fire which provides valuable evidence as to the adequacy of existing building codes. The knowledge gained is used to provide input into the code setting process.

	2004*	2003*	2002*
Number of investigations conducted	628	626	506
Percent of fires for which a cause was determined	81%	80%	79%
Number of charges laid	140	103	104
Decrease/(increase) in arson/suspicious fires			
a.) Winnipeg	12%	33%	7%
b.) Remainder of Province	21%	28%	(28%)
Deliver two Youth Fire Stop Programs to investigation and support Agencies	4	1	N/A

* *Calendar year*

Manitoba Emergency Services College (MESC):

The MESC provides training in program areas including Fire Fighting Practices, Fire Service Instructor, Public Safety, Rescue, Hazardous Materials, Driver/Operator, Institutional Fire Protection, Fire Officer, Fire Investigation, Building Standards and Fire Prevention.

The large number of graduates from these MESC courses helps ensure that the Province maintains a network of trained emergency response personnel. In addition to providing free training to our traditional Manitoba client, the MESC has been seeking revenue sources through new clients.

MESC Programs	2004/05	2003/04
Number of people taking courses at the MESC	3,779	4,237
Gainful employment for Public Fire Protection Program students in an emergency service career within one year of graduation	90%	90%
Overall satisfaction rating of MESC programs by Public Fire Protection Program students	90%	90%
Satisfaction rating of individual courses offered by the MESC (scale of 10)	9	9

Critical Incident Stress Management (CISM):

The OFC initiated, developed and now maintains a Provincial network of trained Critical Incident Stress Management personnel. Their primary role is to provide support to first responders who are engaged in critical incidents to mitigate the negative psychological affects that such incidents can have on the personal and career lives of these responders.

	2005	2004
Maintain 7 Provincial Teams	7	7
Response to CISM requests at the Regional levels actioned within 4 hours	100%	100%
Response to CISM requests at the Provincial level actioned within 1 hour	100%	100%
Development and review of appropriate training manuals: Basic CISM, Advanced CISM, Educational Handouts, Continuing Education Programs	Review Completed	Review Completed
Development and delivery of appropriate training programs: 5 Basic CISM Programs per year, 1 Advanced CISM program per year	2 Basic Completed 2 Advanced Delivered	5 Basic Delivered 2 Advanced Delivered

Codes and Standards:

The Codes & Standards Section plays an important role in public safety. By reviewing building plans, inspecting buildings and providing consultative services to the public, the staff work to ensure that buildings meet Provincial Building, Fire and Plumbing Codes and do not present a serious threat to public safety. The goal of this Section is to reduce injuries, deaths and property losses arising from substandard construction. We can not readily quantify these public benefits.

	2005	2004
Time to process building permits (% within 9 working days)	90%	90%
Delivery of awareness seminars for Recreational Vehicles/Mobile Home dealers re: safety requirements	2	2
Develop delivery of educational programs with other government agencies	4	3
Delivery of contractor information sessions	5	3

Emergency services/Municipal Support:

The fire service in North America has traditionally been re-active. It responds to emergency situations as they arise with less emphasis on prevention.

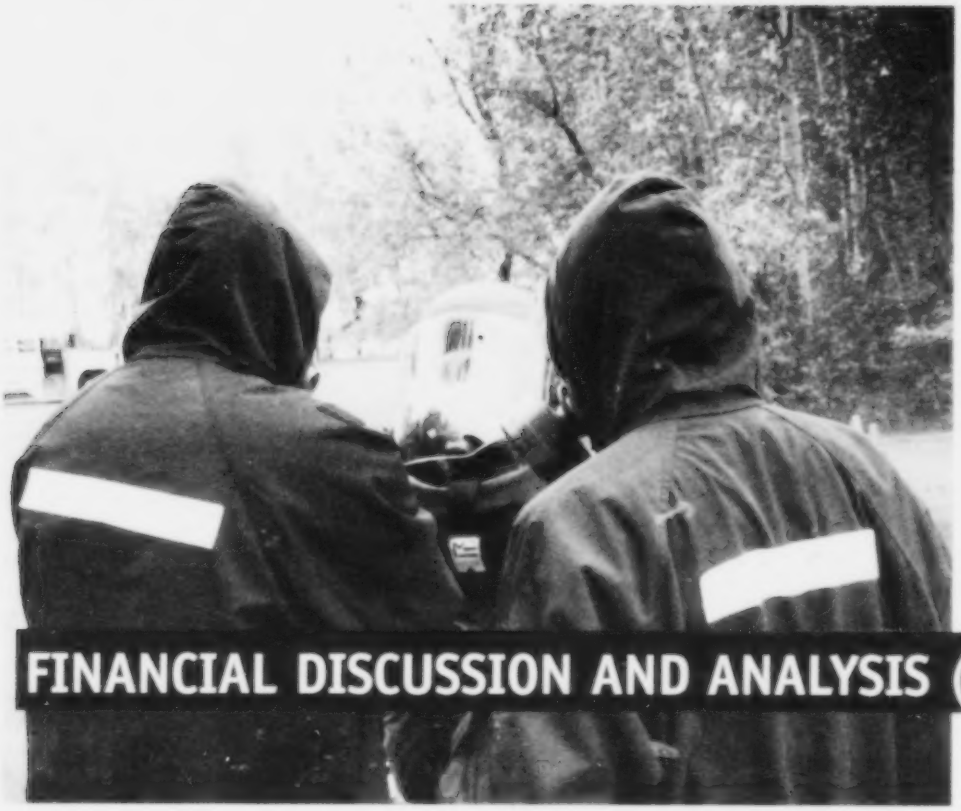
The Agency wants to help ensure that the Manitoba Fire Service places an emphasis on prevention and education in an effort to minimize the number of life and property threatening incidents that occur.

To this end, the Agency has developed a Five Step Action Plan for the Municipal fire service. The Agency will continue to work with the Manitoba fire departments to help implement the program.

	2004/05	2003/04	2002/03
Attendance of Emergency Services Officers or OFC representative at Mutual Aid and Training District meetings	90%	83%	83%
OFC Management to attend one Mutual Aid District meeting per district per year	17/20	16/20	16/20
Requests for assistance from Municipal council or fire department actioned within 3 working days	90%	80%	N/A
Requests for fire inspections from all client groups actioned within 5 working days	90%	95%	N/A
Delivery of Elected Officials Seminars at the Mutual Aid level	4	2	N/A

Emergency Response:

	2004/05	2003/04	2002/03
When requested to respond to emergency situations the response shall be within 45 minutes of call	90%	90%	N/A
Number of emergency responses	29	26	29



5 FINANCIAL DISCUSSION AND ANALYSIS (000'S)

REVENUES

Levy – The Fires Prevention Fund Levy has increased slightly (1 per cent) over the amount received last fiscal year. Increases in premiums from the World Trade Center Disaster and losses on investments held from insurers that have caused the levy amount to increase in past fiscal years have stabilized.

Permits – Permit revenue is $69 (7 per cent) below last year's actuals and is $32 (3 per cent) under budget. Revenue from this source is economically cyclical and can fluctuate significantly from fiscal year to fiscal year.

Tuition and Contract Revenue – Tuition and contract revenue is $138 (10 per cent) under budget due to lower than expected revenue from the Manitoba Emergency Services College's fee for service courses. Our primary customer for training, the Manitoba Fire Service, continues to receive training at no charge.

New Search and Rescue (SAR) Initiative Fund (NIF) Grant – The Agency has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at Northern and remote areas of Manitoba.

JEPP (Joint Emergency Preparedness Program) Initiative Grant – The Agency was approved by the Province to carry forward unspent funding from Fiscal 2003/04 in order to continue to enhance the Province of Manitoba's ability to respond to hazardous materials emergency responses through the provision of training and equipment.

HUSAR (Heavy Urban Search and Rescue) Initiative Grant - The Agency has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of training and equipment. The Province of Manitoba is providing funding to the Agency for this initiative as well.

Interest - Interest revenue represents interest earned on investments held by the Fires Prevention Fund. Interest revenue is down $15 (16 per cent) from last fiscal year and is $21 (21 per cent) under budget due to a decrease in interest rates paid on investments this fiscal year.

Inspections - Inspection revenue is $8 (62 per cent) under budget due to lower than expected fire prevention inspection revenue.

Book Sales - Book sale revenue is $7 above last fiscal year actuals ($8 in Fiscal 2004/05 versus $1 in Fiscal 2003/04). In prior years, the Agency distributed Emergency Medical Responder student manuals through a reseller. During the 2004/05 fiscal year, the Agency distributed these manuals directly, resulting in lower cost course materials for the students and an increase in revenue for the Agency.

Water Bomber Recovery - During Fiscal 2004/05, there were no responses attended by the Agency that required water bomber activity and therefore, no recoveries were necessary. The Agency has revised its Water Bomber policy for the Fiscal 2005/06 year, as explained in the Notes to the Financial Statements.

Other Revenue - The Other Revenue line item is $37 (39 per cent) under budget due to lower than expected Other Revenue for the Manitoba Emergency Services College (MESC). It is important to note that the Other Revenue line item contains $14 in cost recovery for three hazardous materials responses attended by the Agency in 2004/05.

Summary - Agency revenues (excluding the NIF Initiative grant, the JEPP Initiative grant and the HUSAR Initiative grant line items) have decreased by $105 (1 per cent) and are under budget by $336 (5 per cent) for Fiscal 2004/05. The decreased revenue performance this fiscal year can be directly attributed to decreases in permit revenue, fee for service tuition revenue, interest revenue, water bomber recovery and other revenue.

EXPENDITURES

Salaries & Benefits -Salaries and benefits have increased $218 (6 per cent) over the last fiscal year due to the general salary increase for 2004/05, the reclassification of some staff and the payment of former contract instructors as casual staff. Costs for this category are $187 (5 per cent) under budget due to positions that remained vacant throughout the fiscal year.

Vehicle Lease - Vehicle Lease costs are $15 (4 per cent) under budget due to lower than expected mileage costs for Fleet vehicles utilized by the Agency.

Travel - Travel costs are $10 (3 per cent) lower than last year and $42 (13 per cent) under budget due to lower than expected travel expenses in the MESC, Administration, Codes and Standards and Emergency Services sections of the Agency.

Communication – Communication costs are $23 (13 per cent) under budget due to lower than expected costs in all Sections of the Agency.

Mutual Aid – The mutual aid line item represents incentive grants given to mutual aid districts to encourage the delivery of training programs in their districts with their own personnel. Certain criteria must be met before a grant will be issued. This amount is $44 (35 per cent) under budget as not all mutual aid districts have applied for mutual aid grants.

Rent – Rent costs are $10 (5 per cent) under last year's actuals due to a decrease in equipment rental costs for the Agency's Public Fire Paramedic Program. Rent costs were $10 (6 per cent) over budget due to higher than expected Government office accommodation costs.

Property Taxes – Property tax costs have increase $8 (7 per cent) over last year due to increases in property taxes for the Agency's owned property. Also, the Agency commenced paying property tax on the Thompson fire training facility during 2004/05.

Labour Services – The Labour Services line item reflects the costs associated with the provision of Human Resource and Information Technology support services from the Manitoba Department of Labour and Immigration. Labour services costs are $13 (16 per cent) over last years amount and are $13 (16 per cent) over budget. The Agency agreed to pay an additional $13 for services related to the transition of contract instructors to casual employee status and to cover costs associated with policy and legislation services.

Supplies – Supply costs are $41 (15 per cent) above last fiscal year actuals and are $25 (9 per cent) over budget due to higher than expected supply costs in the Administration, Investigation, Codes and Standards and Emergency Services sections of the Agency.

Marketing – Marketing costs are $3 (27 per cent) above last fiscal year but are in line with budgeted amounts. The increase in costs this year can be attributed to marketing for programs at the Manitoba Emergency Services College.

Insurance – Insurance costs are $35 (54 per cent) above last year's actuals and are $16 (19 per cent) over budget. The increase can be attributed to increases in general liability insurance premiums and Fleet vehicle insurance premiums.

Professional Services – Professional services costs are $76 (32 per cent) under last year's actuals and $86 (35 per cent) under budget due to a reduction of Contract Instructor costs and the reclassification of these staff as casual. The reclassification has caused a shift in dollars from the Professional Services line item to the Salaries and Benefits line item. Budget amounts for 2005/06 have been adjusted to reflect this reclassification.

Postal and Courier – Postal and courier costs are $4 (11 per cent) under last year's actual and are $11 (25 per cent) under budget due to reduced costs in the MESC and Public Education sections of the Agency.

Professional Development – Professional development costs are $11 (122 per cent) over last fiscal year actuals and $15 (43 per cent) under budget. The increase over last fiscal year can be attributed to an increased level of external professional development in the MESC, Investigations, Codes and Standards and Emergency Services sections of the Agency.

Emergency Response – The Emergency Response line item captures the cost associated with twenty two incident responses, eight search and rescue and search and rescue training not funded by the NIF or HUSAR initiatives. Costs are $4 (6 per cent) under budget, as these types of incidents cannot be predicted and are difficult to budget.

New Search and Rescue (SAR) Initiative Fund (NIF) Expenditures – The new SAR initiative (NIF) expenditure line item captures all costs associated with the provision of the NIF initiative as discussed in the Revenue Section.

JEPP Initiative Expenditures and Amortization – The JEPP initiative expenditure line item captures all costs associated with the provision of the JEPP initiative discussed in the Revenue Section. Included in this initiative was the purchase in Fiscal 2003 of $342 and Fiscal 2005 of $11 in capital assets, which are being amortized in accordance with the Agency's amortization policies. The portion of the grant that was spent on capital assets has been allocated to deferred revenue, and will be taken into income at the same amount of amortization on the JEPP capital assets.

HUSAR Initiative Expenditures and Amortization – The HUSAR initiative expenditure line item captures all costs associated with the provision of the HUSAR initiative discussed in the Revenue Section. Included in this initiative was the purchase in Fiscal 2004 of $185 and $218 in Fiscal 2005 of capital assets, which are being amortized in accordance with the Agency's amortization policies. The portion of the grant that was spent on capital assets has been allocated to deferred revenue, and will be taken into income at the same amount of amortization on the JEPP capital assets.

Water Bombing – The Water Bombing line item is $100 (100 per cent) under budget as the Agency has not responded to any incidents this fiscal year requiring this type of fire Suppression activity. The Agency has revised its Water Bomber policy for the Fiscal 2005/06 year, as explained in the Notes to the Financial Statements.

Bad Debt Expense – The bad debt expense of $69 relates to water bomber invoices issued to two municipalities during 2002/03. The Agency received notification from Treasury Board in December of 2004/05 to no longer pursue recovery of these amounts.

Summary – Overall, expenditures (excluding the NIF Initiative expenditures, the JEPP Initiative expenditures and amortization, and the HUSAR Initiative expenditures and amortization line items) have increased by $259 (4 per cent) over last fiscal year's actuals. Expenditures (excluding the NIF Initiative expenditures, the JEPP Initiative expenditures and amortization, and the HUSAR Initiative expenditures and amortization line items) were $427 (6 per cent) under budget due mainly to salaries and benefits, vehicle lease, travel, communications, mutual aid, rent, property taxes, labour services, supplies, insurance, professional services, postal and courier, and professional development costs as discussed previously. The Agency incurred a surplus of $103 in Fiscal 2004/05 versus a surplus of $447 in Fiscal 2003/04.

Management's Report

For the year ended March 31, 2005:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 25, 2005.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas Popowich
Fire Commissioner

Brian A. Hodge, CGA, BAccS
Comptroller

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Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2005 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 25, 2005

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31		2005		2004
		(000's)		
Assets				
Current Assets				
Cash	$	4,228	$	3,740
Short-term investments (Note 3)		2,613		2,897
Accounts receivable (Note 4)		619		540
Accrued interest		10		9
Inventory		10		13
Prepaid expenses		52		55
		7,532		7,254
Non-Current Assets				
Due from Province of Manitoba - Severance (Note 7)		311		311
Due from Province of Manitoba - Vacation Pay (Note 7b)		248		248
Capital assets (Note 6)		5,689		5,616
		6,248		6,175
	$	13,780	$	13,429
Liabilities and Equity				
Current Liabilities				
Accounts Payable	$	574	$	459
Accrued Liabilities		585		624
Deferred Revenue		894		718
		2,053		1,801
Severance (Note 7)		361		365
		2,414		2,166
Equity				
Contributed Capital (Note 8)		11,279		11,279
Water Bomber Reserve Fund (Note 13)		100		—
Retained Earnings (Deficiency)		(13)		(16)
		11,366		11,263
	$	13,780	$	13,429

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Retained Earnings (Deficiency)

March 31	2005	2004
	(000's)	
Opening Balance	$ (16)	$ (463)
Add: Net Income for the Year	103	447
Less: Water Bomber Reserve Fund Allocation (Note 13)	(100)	—
Closing Balance	$ (13)	$ (16)

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency of The Special Operating Agencies Financing Authority
Statement of Operations

For the year ended March 31 (000's)

Revenue	2005 Actual	2004 Actual	Variance	Budget	Budget Variance
Levy	$ 4,611	$ 4,551	$ 60	$ 4,615	$ (4)
Permits, Plan Review & Per Capita	968	1,037	(69)	1,000	(32)
Tuition & Contract Revenue	1,211	1,221	(10)	1,349	(138)
New SAR Initiative (NIF) Grant (Note 9)	26	33	(7)	—	26
JEPP Initiative Grant (Note 10)	69	135	(66)	44	25
HUSAR Initiative Grant (Note 11)	377	196	181	232	145
Interest	79	94	(15)	100	(21)
Inspections	5	3	2	13	(8)
Emergency Services Conference	96	96	—	96	—
Book Sales	8	1	7	6	2
Rent	4	1	3	2	2
Water Bomber Recovery	—	78	(78)	100	(100)
Other Revenue	58	63	(5)	95	(37)
Total Revenue	7,512	7,509	3	7,652	(140)
Expenses					
Salaries and Benefits	3,671	3,453	218	3,858	(187)
Amortization	481	479	2	481	—
Vehicle Lease	327	331	(4)	342	(15)
Travel	277	287	(10)	319	(42)
Repairs and Maintenance	289	296	(7)	291	(2)
Communications	152	145	7	175	(23)
Mutual Aid	81	82	(1)	125	(44)
Rent	185	195	(10)	175	10
Desktop Management	211	215	(4)	230	(19)
Medical Computer Lab	26	27	(1)	26	—
Property Taxes	118	110	8	113	5
Labour Services	94	81	13	81	13
Supplies	318	277	41	293	25
Public Education Material	63	67	(4)	65	(2)
Marketing	14	11	3	15	(1)
Utilities	69	71	(2)	72	(3)
Insurance	100	65	35	84	16
Professional services	159	235	(76)	245	(86)
Postal & Courier	33	37	(4)	44	(11)
Professional Development	20	9	11	35	(15)
Land Lease	10	10	-	11	(1)
Publications	18	20	(2)	21	(3)
Buildings Standards Board	1	—	1	3	(2)
S.O.A. Board	2	1	1	2	—
Emergency Response	66	13	53	70	(4)
New SAR Initiative (NIF) Expenditures (Note 9)	39	66	(27)	—	39
JEPP Initiative Expenditures (Note 10)	23	80	(57)	—	23
JEPP Initiative Amortization (Note 9)	46	55	(9)	44	2
HUSAR Initiative Expenditures (Note 11)	303	155	148	137	166
HUSAR Initiative Amortization (Note 11)	74	41	33	95	(21)
Water Bombing	—	78	(78)	100	(100)
Bad Debt Expense (Note 12)	69	1	68	—	69
Other	70	69	1	75	(5)
	7,409	7,062	347	7,627	(218)
Net income (loss) for the year	103	447	(344)	25	78

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2005	2004
	(000's)	
Cash Flows from Operating Activities		
Net income for the year	$ 103	$ 447
Items not involving cash		
Amortization of capital assets	601	575
Gain on disposal of assets	—	(5)
	704	1,017
Net change in non-cash working capital balances	176	1,388
	880	2,405
Cash Flows from Investing Activities		
Purchase of capital assets	(676)	(578)
Proceeds on disposal of capital assets	—	8
	(676)	(570)
Increase in cash and cash equivalents during the year	204	1,835
Cash and cash equivalents, beginning of year	6,637	4,802
Cash and cash equivalents, end of year	$ 6,841	$ 6,637
Represented by:		
Cash and bank	$ 4,228	$ 3,740
Short-term investments	2,613	2,897
	$ 6,841	$ 6,637

The accompanying notes are an integral part of these financial statements

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Equipment – JEPP	20% declining balance
Equipment – HUSAR	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Other vehicles - HUSAR	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP	5 years straight line
Computer equipment – HUSAR	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2004 calendar year will be recognized as revenue in the fiscal year ending March 31, 2005. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2005	2004
Insurance Branch of Department of Consumer & Corporate Affairs	$ 45	$ 158
Office of Critical Infrastructure Protection and Emergency Preparedness	391	228
Other	183	154
	$ 619	$ 540

5. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,047	$ 9	$ —	$ 4,056
Training site	1,935	29	—	1,964
Equipment	1,209	158	—	1,367
Equipment – JEPP	336	11	—	347
Equipment – HUSAR	139	218	—	357
Fire engines	755	15	—	770
Other vehicles	193	50	—	243
Other vehicles – HUSAR	40	—	—	40
Air compressors	239	37	—	276
Furniture	70	—	—	70
Computers	153	148	—	301
Computers – JEPP	7	—	—	7
Computers – HUSAR	6	—	—	6
Total cost	$ 9,129	$ 675	$ —	$ 9,804

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 949	$ —	$ 119	$ 1,068
Training site	572	—	97	669
Equipment	822	—	106	928
Equipment – JEPP	121	—	45	166
Equipment – HUSAR	28	—	65	93
Fire engines	493	—	83	576
Other vehicles	177	—	20	197
Other vehicles – HUSAR	12	—	8	20
Air compressors	161	—	26	187
Furniture	57	—	2	59
Computers	118	—	29	147
Computers – JEPP	2	—	1	3
Computers – HUSAR	1	—	1	2
Total Amortization	$ 3,513	$ —	$ 602	$ 4,115
Net Capital Assets	$ 5,616			$ 5,689

7. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed. The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $361 as at March 31, 2005.

8. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF) (continued)

The New SAR Initiative (NIF) Grant line item reflects the grant received in Fiscal 2005 of $26. The New SAR Initiative (NIF) Expenditures line item reflects the following:

Operating expenditures	$ 26
Office of the Fire Commissioner service-in-kind portion	13
Total	$ 39

10. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) GRANT

The Office of the Fire Commissioner has applied for and received a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

In Fiscal 2004/05, the Office has also applied for and received an amount of $34 from the Province of Manitoba, of which $11 was allocated to deferred revenue for 2004/05 capital asset purchases. An additional amount of $46 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets in 2004/05. This resulted in total JEPP revenue for the year of $69.

The JEPP Initiative Expenditure line item is comprised of the following:

Operating expenditures	$ 23

In Fiscal 2002/03, $342 was utilized to purchase capital assets for this initiative. An amount of $336 is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment. An additional amount of $6 is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. In Fiscal 2004/05, $11 was utilized to purchase capital assets for this initiative and is reflected on the balance sheet Capital Asset line item. This will be amortized based on the declining balance method at a rate of 20% for equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP capital assets.

11. HEAVY URBAN SEARCH AND RESCUE INITIATIVE

The Office of the Fire Commissioner has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

The Office has applied for and will receive an amount of $391 from the Office of Critical Infrastructure Protection and Emergency Preparedness. The Office has also applied for and has received an amount of $130 from the Province of Manitoba, for total grant revenue of $521. $218 of this total grant revenue has been allocated to deferred revenue, which represents Fiscal 2004/05 Capital Asset purchases. An amount of $74 was taken into revenue from the deferred revenue account for the amortization of HUSAR assets in 2004/05. This resulted in total HUSAR revenue for the year of $377.

The HUSAR Initiative Expenditure line item is comprised of the following:

Non-capital equipment purchases	$ 214
Training costs	67
Operating expenditures	22
Total	$ 303

An additional $403 was utilized to purchase capital assets for this initiative. An amount of $357 is reflected on the balance sheet Capital Asset line item for equipment purchases and will be amortized based on the declining balance method at a rate of 20% for equipment. An amount of $40 is reflected on the balance sheet Capital Asset line item for other vehicle purchases and will be amortized based on the declining balance method at a rate of 30% for other vehicles. An additional amount of $6 for computer purchases is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the HUSAR capital assets.

12. BAD DEBT EXPENSE

Bad debt expense relates to two water bomber invoices issued to two municipalities for water bomber services during Fiscal 2002/03. The Agency received notification from Treasury Board in December of Fiscal 2004/05 to no longer pursue recovery of these amounts. The Agency has revised its water bomber policy, as disclosed in Note 13 – Water Bomber Reserve Fund.

13. WATER BOMBER RESERVE FUND

The Agency received approval from Treasury Board in Fiscal 2004/05 to establish a special reserve fund for water bomber fire suppression activities. This fund, which will be capped at an amount of $200, will be utilized to cover the costs associated with water bomber deployment for non-forest fire incidents occurring on Rural Municipality property.

14. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007 with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly installments, plus all operating costs with respect to the subject land.

The Office of the Fire Commissioner has entered into 30 vehicle lease agreements and 3 equipment lease agreements which give rise to commitments as follows:

	March 31
2006	$ 170
2007	73
2008	69
2009	37
2010	14
	$ 363

15. PUBLIC SECTOR COMPENSATION

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board members. During the fiscal year ended March 31, 2005, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2005	2004
R. Vandekerkhove	Manager, Operations East	$ 91	$ 89
D. Popowich	Fire Commissioner	88	85
K. Swan	Investigator	80	84
D. Schafer	Manager, Operations West	78	71
B. Hodge	Comptroller	78	75
G. Favelle	Manager, Critical Incident Stress Management	75	70
W. Harrow	Investigator	74	63
C. Jones	Deputy Fire Commissioner	73	68
C. Hogarth	Investigator	70	70
M. Bedford	Emergency Services Officer	68	62
N. Anderson	Manager, Codes and Standards	67	63
E. Moore	Coordinator, Fire Prevention and Protection	66	54
K. Carmichael	Emergency Services Officer	65	56
R. Denslow	Emergency Services Officer	63	59
D. B. Monkman	Investigator	63	75
R. Gillis	Emergency Services Officer	62	59
R. Pike	Coordinator, Public Fire Paramedic Program	60	58
R. Bridges	Emergency Services Officer	60	59
D. R. Beacham	Special Projects Officer	60	56
P. MacIsaac	Coordinator, Emergency Medical Programs	60	51
R. Harvey	Coordinator, Rescue Programs	59	57
L. Treloar	Technical Services Officer	58	56
M. Jackson	Emergency Services Officer	58	–
T. Jennings	Technical Services Officer	57	55
K. D. Hykawy	Technical Services Officer	57	55
T. Grimshaw	Technical Services Officer	56	54
S. Wolf	Technical Services Officer	56	55
J. P. Lebel	Manager, Special Projects	56	55
B. D. Popko	Manager, Manitoba Emergency Services College	55	55
A. Gray	Emergency Services Officer	55	54
B. E. Hollier	Manager, Administration and Support Services	55	54
M. Kerbis	Emergency Services Officer/Instructor	55	57
J. Wedge	Technical Services Officer	54	51
K. Lanceley	Emergency Services Officer	54	52
S. Fisher	Emergency Services Officer/Instructor	53	–
J. Tabin	Curriculum Development Officer	52	–
S. Dufresne	Emergency Services Officer/Instructor	52	–
B. J. Metruk	Emergency Services Officer/Instructor	51	55
A. J. Campbell	Manager, Codes and Standards	–	88
M. Lamb	Fire and Life Safety Educator	–	59
D. Singleton	Emergency Services Officer/Instructor	–	53

16. VACATION PAY RECEIVABLE

Effective March 31, 1995, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1995 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1995, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1995.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

17. PENSION BENEFITS

Employees of the Office of the Fire Commissioner are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba the Office of the Fire Commissioner transferred to the Province the pension liability for its employees.

Commencing April 1, 2001, the Office of the Fire Commissioner was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid for 2005 was $137 (2004 - $134).